Government of Saskatchewan

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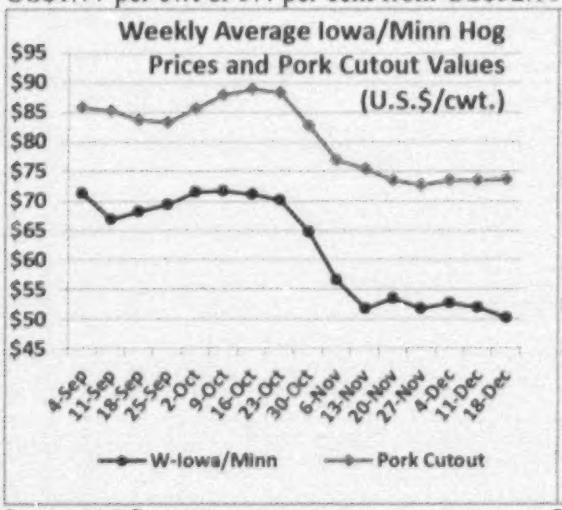
Weekly Hog Report

December 21, 2015

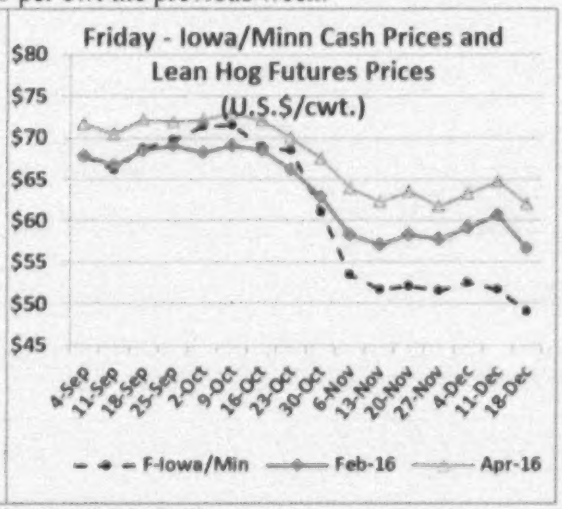
This is the final edition of the Weekly Hog Report for 2015.
The report will resume on January 11, 2016. Happy Holidays everyone!

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were lower last week on record high weekly U.S. hog slaughter numbers. Hog prices on Friday December 18 averaged US$49.02 per cwt, down US$2.62 per cwt or 5.1 per cent from US$51.64 per cwt the previous Friday. The negotiated base price last week averaged US$50.33 per cwt, down US$1.77 per cwt or 3.4 per cent from US$52.10 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

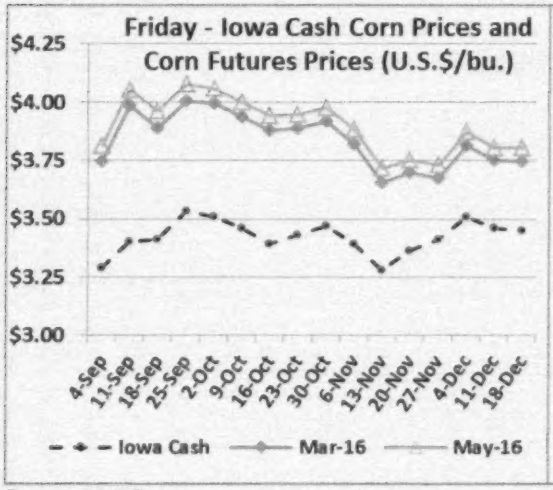
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday December 18, 2015 was $125.78 per ckg, down $3.49 per ckg or 2.7 per cent from $129.27 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $127.51 per ckg, down $1.82 per ckg or 1.4 per cent from the previous weeks' average price of $129.23 per ckg. The Canadian dollar continued lower to close Friday at 71.71 cents; down just over one cent from the previous Friday's close of 72.77 cents.

Futures Markets

United States Lean hog futures daily prices were mixed but primarily lower last week to end the week lower, week-over-week. The nearby February 2016 contract declined US$3.925 per cwt to settle Friday at US$56.625 per cwt, while the April 2016 contract declined US$2.650 per cwt to settle Friday at US$62.050 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US$40.47 per head, down US$0.88 per head from US$41.35 per head the previous week. Feeders (40lb) were US$54.37 per head, up $2.22 per head from US$52.15 per head the previous week.



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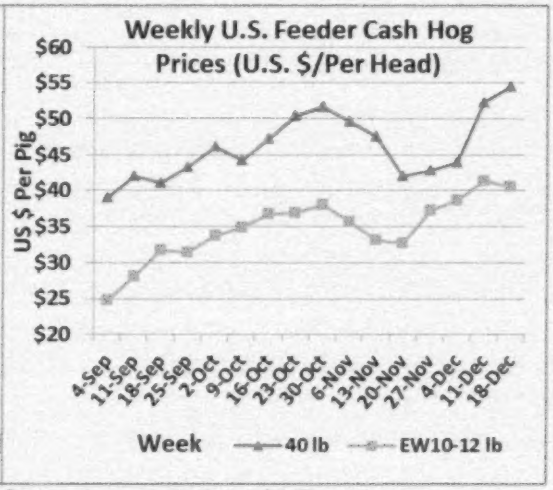

Source: Iowa Agriculture, CME

Iowa cash corn prices declined one cent last week to settle Friday at US$3.45 per bushel. U.S. corn futures prices were mixed over the week with some big price movements and ended last week mixed but relatively unchanged. The March 2016 contract declined almost one cent over the week to settle Friday at $3.74½ per bushel, while the May 2016 corn contract increased slightly (US$¼ cent) to settle Friday at US$3.80½ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending December 19 were estimated **2.493 million head**, up 2.8 per cent from 2.426 million head the previous week, and up 7.7 per cent from 2.314 million head the same week a year ago. Weekly hog slaughter numbers established new all-time record highs passing the previous record high established in December 2007. U.S. hogs slaughtered over the last four weeks ending December 19 averaged 2.363 million head per week, up 7.4 per cent from 2.200 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending Dec. 12, 2015 were estimated at 446,654 head, up 4.9 per cent from 425,711 head the previous week, and up 5.9 per cent from 421,641 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending December 12, 2015 were estimated to average 438,693 head, up 3.5 per cent from 423,994 head over the same period a year ago. Year-to-date, Canadian hogs slaughtered are estimated at 20.197 million head, up 2.6 per cent from 19.681 million head over the same period in 2014.

Meat Production

U.S. pork production for the week ending December 19, 2015 was estimated at a new weekly all-time record high of 532.1 million lb., up 2.8 per cent from 517.7 million lb. the previous week, and up 7.3 per cent from 495.5 million lb. the same week a year ago. Pork production over the last four week's ending December 19 was estimated to average 504.5 million lb., up 6.7 per cent from 472.8 million lb. over the same four week period a year ago.

U.S. beef production for the week ending December 19 was estimated at 499.2 million lb., up 1.4 per cent from 492.1 million lb. the previous week, and up 10.1 per cent from 453.5 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending December 12, 2015, was estimated to average 1.999 billion lb., up 2.3 per cent from 1.954 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2015 is estimated to be 99.946 billion lb., up 3.5 per cent compared to the same period in 2014.

United States Weekly Meat Production

(Dec. 12) Four Week Average - Million Lb.			Percent Change	
	2014	2015	4 Week	YTD 2015
Pork	469.3	499.1	6.4%	7.5%
Beef	452.9	458.1	1.2%	-2.5%
Chicken	906.4	924.2	2.0%	5.8%
Turkey	126.0	117.6	-6.7%	-4.7%
Total	**1,954.5**	**1,999.0**	**2.28%**	**3.49%**

Source: LMIC

Cutout Values

U.S. pork cutout values for the week ending December 19, 2015 averaged US$73.57 per cwt, up slightly from US$73.40 per cwt the previous week, but down 17.1 per cent from US$88.78 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending December 19, 2015 averaged US$196.56 per cwt, down US$6.57 per cwt or 3.2 per cent from US$203.13 per cwt the previous week, and down 18.9 per cent from US$242.27 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending December 19, 2015 averaged US$101.60 per cwt, down 2.0 per cent from US$103.67 per cwt the previous week, and down 21.7 per cent from US$129.70 per cwt the same week a year ago.

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